

STATE OF SOUTH CAROLINA

(Caption of Case)

Office of Regulatory Staff's Petition for an Order
Requiring Utilities to Report the Impact of the Tax
Cuts and Jobs ActBEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET/NDI

NUMBER: 2017 - 381 - A

(Please type or print)

Submitted by: Andrew Bateman

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____	
<input checked="" type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

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Andrew M. Bateman
Counsel for ORS

May 21, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
 Chief Clerk & Administrator
 Public Service Commission of South Carolina
 101 Executive Center Drive, Suite 100
 Columbia, South Carolina 29210

Re: JACABB Utilities, LLC Request for Modification of Rate Schedule to add Gross-Up Fees for Construction in Aid of Contribution ("CIAC")
Docket No. 2017-381-A

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the Request filed by JACABB Utilities, LLC ("JACABB") on May 11, 2018, in the above referenced Docket. ORS does not object to JACABB's request to approve a tariff provision in its current rate schedule.

ORS requests the Commission require JACABB to publish a Notice of this filing in a newspaper of general circulation and provide a copy of the filing to the county administrator. ORS is aware the Home Builders Association of South Carolina, the Building Industry Association and other entities may be impacted by JACABB'S request. JACABB's request is made in response to ORS's recommendation to require utilities to report the anticipated effect of the Tax Cuts and Jobs Act ("Tax Act"), including the impact on CIAC.

The Tax Act changed the tax impact on CIAC such that CIAC will now be treated as income for tax purposes. JACABB requests the Commission approve a provision in its current rate schedule that would allow JACABB to collect, from persons or entities required to make CIAC, the amount of income tax imposed as a result of the Tax Act. JACABB has requested this amount to be \$33.24 for every \$100 in CIAC, as was approved in Commission Order No. 2018-252.

Letter – Jocelyn G. Boyd, Esquire
May 21, 2018
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JACABB requests to collect the gross tax cost of CIAC from the contributor. The Commission approved this method in Order No. 88-237 when it implemented the Tax Reform Act of 1986. According to JACABB, the requested modification does not require a determination of the entire rate structure or overall rate of return. Likewise, JACABB stated that the modification does not impact existing customers.

Thank you for the opportunity to provide comments in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. M. Bateman', with a long horizontal flourish extending to the right.

Andrew M. Bateman

cc: Parties of Record
Joseph Melchers, Esquire (via E-mail)